

Department of
Veterans Affairs

Memorandum

Date: March 30, 2013

From: Executive Director, VA Service and Distribution Center (003A3B3)

Subj: Memorandum 796-13-03, Utilization and Reimbursement of Biomedical Equipment Repair Services

To: Medical Center Directors, VHA Financial Managers, Purchasing Agents and Biomedical Engineers

1. PURPOSE: This Memorandum provides streamlined reimbursement instructions for utilizing the VA Service and Distribution Center (SDC) biomedical equipment repair services. The SDC currently offers support/repair of specialized biomedical commodities including flexible and rigid endoscopes as well as dental and surgical hand pieces. The endoscope and dental/surgical repair programs offered by the SDC can be utilized by Department of Veterans Affairs Medical Centers, Department of Defense Medical Centers as well as all other federal healthcare entities such as the Indian Health Service and Public Health Service. These programs are designed to offer low cost yet high quality repair options while providing its customers with convenient and easy to use services.

2. REIMBURSEMENT OPTIONS:

- a. VA Form 1358, Obligation or Change in Obligation - Preferred

Use of the VA Form 1358 is the preferred option for repairs, particularly those that exceed the purchase card threshold. The greatest advantage to this option is that it is not a procurement and does not require action by a contracting officer; and because it is a tool to reimburse the Service and Distribution Center, there is no requirement to seek other pricing. Appropriate use of the VA Form 1358 is discussed in VA Financial Policy. Volume II, Chapter 6, <http://www.va.gov/finance/docs/VA-FinancialPolicyVolumeIIChapter06.pdf>, which provides the procedures for reimbursing the Service and Distribution Center as a VA entity via Intra-Agency Sharing Agreement. The applicable extract states:

20. Non-Procurement Obligations *

A. Description. The following non-procurement obligations can be obligated on a VA Form 1358 as long as the source document for each expenditure is kept on file in the Finance Activity and the Using Service, in support of each authorized transaction against the VA Form 1358:

B. Justification.

(1) These obligations do not require any action by a procurement official and do not require reporting to FPDS.

**IAW Authority 20, Sub-Authority I, page 28, VA Financial Policy Volume II, Chapter 6, January 2013*

Key IFCAP Menu Prompts for 1358s:

- Select **20**, Non-Procurement Obligation, as the Authority
- Select **I**, Intra-Agency Agreements, as the Sub Authority
- Select **Service** as the Classification of Request

- b. Government Purchase Card (GPC) - The VA Service and Distribution Center permits use of the government purchase card for reimbursements under the \$3000 individual transaction limit. It is not the preferred method of reimbursement because the VA SDC pays a card processing fee for each transaction, offsetting any rebates the VA might derive, however, it is a fast, practical method of reimbursement. Again, because the VA SDC is a VA staff office, reimbursement for repair services does not require multiple bid comparisons.
- c. Purchase Orders – Purchase orders are the least preferred method of reimbursement as it requires a warranted contracting officer and procurement package to execute. This is primarily a burden on the medical center and not the SDC, which is fully capable of processing purchase orders for service reimbursement. The SDC's exclusive use of authorized out- sources via Blanket Purchase Agreements (BPAs) meets the mandatory use of FSS requirements and facilitates the purchase order processing.
- d. IFCAP Vendor File Data: The VA SDC may be loaded into IFCAP using the attached vendor file data and used for either VA 1358 or Purchase Order creation.

DEVICE: SSH VIRTUAL TERMINAL Right Margin: 80//
VENDOR LIST MAR 6,2013 11:09 PAGE 1

NUMBER: 5706 NAME: SERVICE AND DISTRIBUTION CENTER
ORDERING ADDRESS1: P.O. BOX 27 ORDERING ADDRESS2: HINES, ILLINOIS 60141
ORDERING CITY: HINES ORDERING STATE: ILLINOIS
ORDERING ZIP CODE: 60141 PROCUREMENT CONTACT PERSON: JAMES SHERRY
VENDOR PHONE NUMBER: 708-786-7670
SOCIOECONOMIC GROUP (FPDS): LV VETERAN-OWNED LARGE BUSINESS
BUSINESS TYPE (FPDS): LARGE IS A SF129 ON FILE?: NOT APPLICABLE
FMS VENDOR CODE: 741612229 ALT-ADDR-IND: A4 (For Payment)
NON-RECURRING/RECURRING VENDOR: RECURRING
FMS VENDOR NAME: DEPT OF VETERANS AFFAIRS
TAX ID/SSN: 741612229
SSN/TAX ID INDICATOR: TAX IDENTIFICATION NUMBER
PAYMENT HOLD INDICATOR: NO 1099 VENDOR INDICATOR: NO
PENDING FLAG: CONFIRMATION OF APPROVAL
CENTRAL REMIT: NO VENDOR TYPE: FEDERAL GOVERNMENT
MTI ACTION: CHANGE
PAYMENT CONTACT PERSON: JAMES SHERRY PAYMENT PHONE NO.: 708 786-7846
PAYMENT ADDRESS1: SVC & DISTRIBUTION CTR
PAYMENT ADDRESS2: PO BOX 7005 901A PAYMENT CITY: HINES
PAYMENT STATE: ILLINOIS PAYMENT ZIP CODE: 60141-7005
DATE VENDOR CREATED: SEP 25, 1998
FAX #: 708-786-7504

3. FLEXIBLE AND RIGID ENDOSCOPE REPAIR PROGRAM

a. Flexible and rigid endoscopes can be shipped directly to the SDC Material Management and Repair (MM&R) Division for evaluation. For ease of use, no return authorization number is required, but we do ask for the following information:

- Model
- Serial Number
- Brief Description of the Problem
- Point of Contact Information including, name, telephone number and e-mail address

We do offer pre-printed UPS shipping labels to customers with bill to recipient information including address and account number.

b. Flexible endoscopes should be shipped using approved packaging materials such as original equipment manufacturer (OEM) hard side cases or foam lined cardboard boxes. Please put all item paperwork inside the box, you may also include paperwork in attached clear stick-on shipping ticket envelopes outside the shipping container.

c. Rigid endoscopes should be shipped using approved packaging materials such as foam lined boxes. Please put all item paperwork inside the box, you may also include paperwork in attached clear stick-on shipping ticket envelopes outside the shipping container.

d. It is recommended that shipment information i.e. date shipped, method of shipment, and shipping tracking number be recorded to facilitate package tracking.

e. Once the flexible/rigid endoscopes are received, each item is individually evaluated. The flexible endoscopes are evaluated using a 25 point inspection form. Each of the 25 areas are inspected and recorded while the rigid endoscopes are evaluated using a much less complicated inspection process.

f. After the flexible/rigid scopes are inspected and the findings have been recorded, it is determined if the repair can be accomplished in-house or if an outsource vendor is required. The SDC is able to perform minor and semi-major repairs but other more complicated and specialized repairs may require outsourcing.

g. If the item can be repaired in house, the customer is contacted via telephone or e-mail and the repair estimate is relayed. At that point the customer can either accept or decline the repair. If the repair is approved by the customer, the repair begins and payment information is accepted. It is important to note that the SDC accepts VA 1358s, federal government purchase orders, or government purchase card.

Important Note: VA 1358 or purchase order numbers or preferably a printed copy of the 1358 or purchase order must be provided once approved by the customer and prior to the repair

h. If the item requires outsourcing, the customer is given a choice between utilizing the OEM or a third party repair facility. The customer often bases that repair choice on age and/or past expenditures for the item. **It is important to note that the SDC only utilizes vendors that have a current Federal Supply Schedule Contract. The SDC will accept VA 1358s, federal government purchase orders or government purchase cards.

i. Once the items are repaired, they are shipped back to the medical center. The paperwork is completed and the repairs are paid for using the desired form of payment. Please see item 7 for more information regarding billing

4. DENTAL AND SURGICAL HAND PIECE REPAIR PROGRAM:

a. Dental and surgical hand pieces can be shipped directly to the SDC, MM&R Division for evaluation. For ease of use, no return authorization number is required but we do ask for the following information:

- Model
- Serial Number
- Brief Description of the Problem
- Point of Contact Information including, name, telephone number and e-mail address

We recommend that when sending dental hand pieces that the amount be limited to 10 per order. This makes billing and payment easier for the customer.

b. Surgical or dental hand pieces should be shipped using approved packaging materials such as foam lined boxes or appropriate shipping containers. Please put all item paperwork inside the box, you may also include paperwork in attached clear stick-on shipping ticket envelopes outside the shipping container.

c. It is recommended that shipment information i.e. date shipped, method of shipment, and shipping tracking number be recorded to facilitate package tracking.

d. Once the dental/surgical hand pieces are received, each item is individually evaluated.

e. After the dental/surgical hand pieces are inspected and the findings have been recorded, it is determined if the repair can be accomplished in-house or if an outsource vendor is required. The SDC is able to perform all dental hand piece repair and most surgical hand piece repair on site. More complicated and specialized surgical hand piece repairs may require outsourcing.

g. If the item can be repaired in house, the customer is contacted via telephone or e-mail and the repair estimate is relayed. At that point the customer can either accept or decline the repair. If the repair is approved by the customer, the repair begins and payment information is accepted. It is important to note that SDC accepts federal government purchase orders, or federal government Visa credit cards.

h. If the item requires outsourcing, the customer is given a choice between utilizing the OEM or a third party repair facility. The customer often bases the repair choice on age and/or past expenditures for that item. **It is important to note that SDC only utilizes vendors that have a

current Federal Supply Schedule Contract. SDC will accept VA 1358s, federal government purchase orders or government purchase card.

i. Once the items are repaired, they are shipped back to the medical center though UPS. The paperwork is completed and the repairs are reimbursed using one of the desired forms of payment listed above.

5. GLASSWARE REPLACEMENT PROGRAM

a. The SDC, through the National Acquisition Center, has established a number of Indefinite Delivery/Indefinite Quantity (IDIQ) contracts which comprise the SDC Glassware Replacement Program (GRP) for standard x-ray and CT tubes, as well as X-ray camera tubes and image intensifiers. These contracts should be utilized before open market purchases are contemplated. Future changes in the ordering process will be addressed in a separate SDC memorandum.

b. updated contract information may be found on the SDC website at:
<http://vaww.va.gov/oal/sdc/glasswareReplacement.asp>

6. Shipping Address for Endoscopes and Hand pieces:

Department of Veterans Affairs
Service and Distribution Center
Materiel Management and Repair Division
BLDG 37
1st Avenue 1 block north of 22nd Street
Hines, IL 60141

7. Billing Information:

The VA Service and Distribution Center provides a range of easy to use billing options for both VA and Other Government Agencies. Use of the VA SDC allows access to custom services without having to prepare sole source justifications or to obtain three price quotes.

a. VA Customers:

Once the device is received and evaluated, an SDC representative will contact the customer with a repair quote. The repair quote will include parts, labor and shipping. At that point the customer will either approve or decline the repair. If the repair is declined, the device will be returned unrepaired. If it is approved, the repair process will be initiated. Once the device is repaired and passes quality assurance, the customer will be advised and requested to provide payment information. The SDC accepts VA 1358s, I government purchase cards, or federal government purchase orders.

b. Department of Defense Customers:

Once the device is received and evaluated, an SDC representative will contact the customer with a repair quote. The repair quote will include parts, labor and shipping. At that point the customer will either approve or decline the repair. If the repair is declined, the device will be returned unrepared. If it is approved, the repair process will be initiated. Once the device is repaired and passes quality assurance, the customer will be advised and requested to provide payment information. The SDC accepts federal government credit cards or Military Interdepartmental Purchase Requests (MIPR). A MIPR is usually established at the beginning of the fiscal year and acts like a blanket purchase order. In that instance, once the repair is approved, the repair amount is deducted from the MIPR balance.

c. Other Governmental Agencies:

Once the device is received and evaluated, an SDC representative will contact the customer with a repair quote. The repair quote will include parts, labor and shipping. At that point the customer will either approve or decline the repair. If the repair is declined, the device will be returned unrepared. If it is approved the repair process will be initiated. Once the device is repaired and passes quality assurance, the customer will be advised and requested to provide payment information. The SDC accepts government purchase cards or federal government purchase orders for payment.

8. References:

- a. VAAR 80.603-70
- b. Procedural Guideline #11-001, Office of the Executive Director, National Acquisition Center, dated 9 May 2011
- c. VA Financial Policy. Volume II, Chapter 6,

9. Contact Information:

For detailed program information or to request SDC repair services, the SDC website can be found at: <http://www.va.gov/oal/government/sdc/endoscope.asp>. or call 708-786-7670.

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Neal Kemp
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VA Service and Distribution Center